

# **Maryland Health Benefit Exchange Board Meeting Minutes**

**March 13, 2012  
1:00 p.m. - 4:00 p.m.  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, MD 21215**

The materials presented in the meeting are listed on the Maryland Health Benefit Exchange webpage: <http://dhmh.maryland.gov/healthreform/exchange/SitePages/meetings.aspx>

## **Members Present**

Joshua M. Sharfstein, M.D.  
Georges Benjamin, M.D.  
Jennifer Goldberg, J.D., LL.M.  
Enrique Martinez-Vidal, M.P.P.  
Ben Steffen, M.A.\*

Kenneth Apfel, M.P.A.  
Thomas Saquella, M.A.  
Darrell Gaskin, Ph.D.  
Rebecca Pearce, M.B.A.

## **Members Absent**

Therese Goldsmith, J.D., M.S.

## **Opening and General Updates**

Secretary Sharfstein welcomed the Exchange Board members and participants. The Board approved the February 14<sup>th</sup> meeting minutes with a minor revision.

## **Advisory Committee Update**

As requested by the Board at the February 14<sup>th</sup> meeting, Jennifer Goldberg reported on efforts to establish advisory committees to the Exchange Board. She recommended creating new committees rather than continuing those from 2011, since the previous committees were focused on the studies for submission to the legislature. The Exchange Board website will host a call for resumes and topics alongside a document describing the topics an advisory committee might be asked to consider. Ultimately, the Exchange Board will create three or four new advisory committees. Membership on a previous advisory committee will not preclude one from service on a new committee.

In response to a question about Essential Health Benefits (EHB) determination, Ms. Goldberg said that there will be an advisory group on EHBs, but that it will not report to the Exchange Board.

## **Legislation Update: Maryland Benefit Exchange Act of 2012 (SB 238/HB 443)**

Carolyn Quattrocki, Director of the Governor's Office of Health Care Reform, provided an update on amendments to Senate Bill 238 and House Bill 443, referring to a document she provided to the Exchange Board titled "Administration's Proposed Consensus Amendments: Senate Bill 238/House Bill 443." Ms. Quattrocki specifically mentioned amendments regarding the changing of language related to the premium threshold for the Small Business Health Options Program (SHOP) Exchange and the Individual Exchange, adding language regarding stand-alone

qualified vision programs (QVPs) as plans that can be offered in the Exchanges, and addressing the operational model issue by adding language that allows for a one-year delay in employing the active purchasing and alternative contracting strategies. Ms. Quattrocki mentioned that the purpose for this delay is to achieve the first-year goal of the Exchange, which is to create a robust Exchange market. She also explained the change in language relating to the SHOP and Individual Exchange Navigator programs. She stated that the bill now reflects the requirement that SHOP Navigators be free of conflicts of interest, and that Individual Navigators need not be certified to perform all methods of outreach relating to qualified health plans (QHPs). She said they want to avoid a conference committee, and hope to have at least one bill moving to the floor by the week of March 19, 2012.

### **Risk Adjustment, Reinsurance, and Risk Corridors (3R's) Update**

Megan Mason, Special Assistant to the Commissioner for Health Care Reform, Maryland Insurance Administration, gave an update on risk mitigation implementation. The presentation included an overview of risk mitigation, an outline of work already completed, a discussion of using the federal versus the state model, and a timeline of project milestones. The Board approved the formation of a steering committee with members from the Governor's Office of Health Care Reform, the Maryland Health Insurance Plan, the Maryland Health Benefit Exchange, the Maryland Insurance Administration, the Maryland Medicaid Program, the Health Services Cost Review Commission, and the Maryland Health Care Commission. This steering committee would direct three working groups analyzing risk adjustment methods: Data & Audit, Policy & Parameters, and Administration & Finance.

### **Exchange Administration Update**

Leslie Lyles-Smith, Director of Operations for the Maryland Health Benefit Exchange, presented information to the Board regarding the administrative functions the Exchange proposes to manage itself, and those which it proposes remain the responsibility of the Department of Health and Mental Hygiene (DHMH) after July 1, 2012. Ms. Lyles-Smith said directors at DHMH were for the most part in agreement with the proposal, and that once they begin the process to establish a Memorandum of Understanding (MOU), they will go into further detail.

### **MOU with The Hilltop Institute**

Ms. Lyles-Smith, presented to the Board two MOUs between the Exchange and The Hilltop Institute, one for a "take-up" study, and the other for general support. After discussion of the failure to find a suitable vendor for the "take-up" study in a competitive procurement, the Board approved the MOUs.

### **HIX Leadership Executive Education Program**

Rebecca Pearce, Executive Director of the Maryland Health Benefit Exchange presented a detailed agenda for a program offered by the Center for Health Information and Decision Systems at the University of Maryland's Robert H. Smith School of Business entitled "HIX Leadership Executive Education Program," slated to take place April 16 through 18, 2012. The program was designed to be for members of Exchange Boards in various states, with extra slots to be filled in by Exchange staff. Several Board members expressed interest in attending. Ms. Pearce will confer with her staff and report back to the Board regarding the suitability of the timing.

### **Exchange Executive Update**

Members of the Maryland Health Benefit Exchange executive staff gave updates on their progress.

#### *Rebecca Pearce, Executive Director*

Ms. Pearce gave an overview of a high level project timeline for Exchange implementation. She announced that the Exchange plans to hire a grant writer.

#### *Leslie Lyles-Smith, Director of Operations*

Ms. Lyles-Smith informed the Board that the Exchange will attend a gap review meeting with the Center for Consumer Information and Insurance Oversight at the Center for Medicare and Medicaid Services. The meeting will cover mainly non-information technology (IT) requirements under the Affordable Care Act (ACA) to implement the Exchange.

#### *Danielle Davis, Director of Communications and Outreach*

Ms. Davis informed the Board that her office has assumed responsibility for the Exchange's current website, and is putting in place policies for media relations. She requested that the Board approve modifying the existing contract with Weber Shandwick to include a branding project, and to redesign the Exchange's website. The Board approved.

#### *Tequila Terry, Director of Plan and Partner Management*

Ms. Terry gave the Board an overview of her office's efforts to involve stakeholders in the implementation of the Exchange. She spoke about the formation of the Exchange Implementation Advisory Committee (EIAC), and what they expect to accomplish, especially with regards to website testing and plan certification.

#### *Kevin Yang, Chief Information Officer*

Mr. Yang informed the Board that the Exchange has hired an IT vendor for the Phase 1A implementation.

#### *Kristine Hoffman, Assistant Attorney General*

Ms. Hoffman stated to the Board that she provides legal support to the Exchange.

### **SHOP Exchange Technology Enablement Options**

Kevin Yang, Chief Information Officer, presented to the Board an overview of the options available to the Exchange regarding how to implement the technical aspects of the SHOP Exchange. Mr. Yang first described the three categories of major SHOP Exchange functions: On-Line Marketplace, Back-Office Administration, and Financial and Operations Oversight. He then laid out five options with regards to technology implementation for these major functions:

1. The SHOP Exchange retains all technical capabilities
- 2(a). The SHOP Exchange outsources the Online Marketplace and Back-Office Administration functions to a single benefits administrator
- 2(b). The SHOP Exchange outsources the Online Marketplace and Back-Office Administration functions to multiple benefits administrators

- 3(a). The SHOP Exchange outsources just the Back-Office Administration functions to a single benefits administrator
- 3(b). The SHOP Exchange outsources just the Back-Office Administration functions to multiple administrators

Dr. Joshua Sharfstein, the chairman of the Board, then called for comments from members of the public regarding the options presented by Mr. Yang.

- Lee Diemer of BenefitMall encouraged the Board to maintain focus on cost and quality control while working to expand access. He asked that the SHOP Exchange be created in such a way as to support the needs of employers lest those employers opt out of the system altogether.
- Ken Hunter of Kaiser Permanente advocated for option 3(a) or 3(b). He asked that the Board keep in mind that the Exchange will be competing in a robust marketplace, and will need a strong brand, competitive offerings, and ease of use/interaction. Even if option 3 is chosen, he wishes to see the Exchange's brand all over it.
- Leni Preston of the Maryland Women's Coalition for Health Care Reform voiced support for option 1 in order to take advantage of federal dollars to "completely reengineer the process of eligibility and enrollment and billing." She pointed out that the SHOP Exchange needs to be completely integrated with the Individual Exchange, invoking the ACA's "no wrong door" language, and CCHIO certification requirements. Her group supports the creation of a single record for each individual whether they are in the Individual or the SHOP Exchange.
- Bill Simmons of Group Benefit Services (GBS) supported option 2(b) or 3(b). He mentioned that existing players in the marketplace perform all the functions listed in Mr. Yang's presentation currently, and that they do it in an environment of friendly competition.
- Sandy Walters of Kelly & Associates Insurance Group supported option 2(b). He pointed out that, given the short timeframe for submitting the solution for federal certification, the Exchange should expend the most effort getting the Individual Exchange up and running to address the coverage gap in that market. He said that Maryland's small group market is "miles ahead" of the rest of the country due to the removal of impediments to small group enrollment in 1994.

Mr. Yang then reported that the Exchange will issue a Request for Proposals or Request for Information from entities interested in options 2 and 3, saying that they want contracts in place by June 2012 at the latest.

### **Next Steps**

The next Exchange Board meeting will be held on April 10, 2012, at 1400 McCormick Drive, 3rd Floor, Room 308, Largo, MD 20774.